

Revising property-tax homestead exemption and refund procedures

SB 1659 by Madla (Mercer)

DIGEST: SB 1659 would have made several changes to appraisal district procedures regarding property-tax homestead exemptions and tax payments and refunds. The acceptance/decision date for late homestead exemption applications would have been changed to one year after the date that property taxes on homesteads become delinquent. Homeowners 65 or older who established a different residence homestead during the same tax year could not have qualified for homestead exemptions on the new residences before January 1 of the following tax year. Multiple homeowners could have received over-65 exemptions on only one residence homestead per tax year, because the proration calculation would have been repealed.

Property owners could have designated agents to receive tax refunds. Taxing units could not have required property owners or their agents to provide receipts to corroborate tax payments. Tax refunds would have had to be paid to the person who owned the property as of January 1 of the tax assessment year unless owners specified otherwise. Taxing units could not have required additional action or documentation of owners, agents, or taxpayers to receive refunds.

GOVERNOR'S REASON FOR VETO: "Senate Bill No. 1659 would authorize property owners to designate an agent to receive tax refunds on their behalf. It would have allowed property owners to designate an agent to receive tax refunds on their behalf. This change would enable firms that help people obtain tax refunds to receive a person's refund in order to deduct its fee, usually 50 percent of the amount recovered. While these firms claim to provide a public service, appraisal districts provide this information to homeowners at no cost. The Attorney General has sued some firms of deceiving homeowners about how they can obtain a homestead exemption.

"The bill also requires senior citizens who establish a different homestead in the middle of the year to wait until the following January 1 to qualify their new residence for a homestead exemption and corresponding tax ceiling, or 'freeze.' Current law allows citizens who are 65 or over to immediately qualify for the tax exemption on their new residence."

RESPONSE: Neither Sen. Frank Madla, the bill's author, nor Rep. Ken Mercer, the House sponsor, had a comment on the veto.

NOTES: SB 1659 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.